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DE RUEHLB #1748/01 1531330
ZNY SSSSS ZZH
P 021330Z JUN 06
FM AMEMBASSY BEIRUT
TO RUEHC/SECSTATE WASHDC PRIORITY 3805
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RHMFISS/CDR USCENCOM MACDILL AFB FL PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

S E C R E T SECTION 01 OF 02 BEIRUT 001748

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E.O. 12958: DECL: 05/24/2016
TAGS: [EFIN](#) [IR](#) [LE](#) [PGOV](#) [PTER](#) [SY](#)
SUBJECT: MGLE01: C/CT5/015376 -- STUDY SHOWS IRANIAN AID
TO HIZBALLAH ON THE RISE

REF: 05 BEIRUT 1181

Classified By: Ambassador Jeffrey D. Feltman. Reason: Section 1.4 (d)
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SUMMARY

¶1. (S/NF) On May 31, independent Shia politician Ahmad al-Asad told econoff that Hizballah has increased the number of paid employees, including civilian and military, by 23 percent since last year. This increase was financed by a 37 percent increase in Iranian funding since the Syrian withdrawal. Hizballah has also used the increased funding to pay its employees comfortable salaries, lay phone and cable wire throughout the south, and build a series of new fixed positions along the Blue Line (which Israel bombed on May 28). Al-Asad believes Iran and Syria are biding their time until the end of the current U.S. administration, strengthening Hizballah in the interim. He said the money flow from Iran must be stopped or else matched by the USG if Hizballah's influence is to be stemmed. End summary.

STUDY: HIZBALLAH INCREASES PAYROLL
AS IRAN INCREASES AID BY A THIRD

¶2. (S/NF) On May 31, econoff met with independent Shia politician Ahmad Al-Asad, whose movement conducted a survey of Hizballah's size and budget last year (reftel). Al-Asad said that a new survey revealed that Hizballah's size and budget had grown substantially since the Syrian withdrawal from Lebanon in April 2005. The survey samples the numbers of known Hizballah employees in different sized villages throughout the south and parts of the Biqa Valley. Those head counts are then used to extrapolate the number of Hizballah paid employees, including both civilians and militiamen, for all of Lebanon. Last year, Al-Asad estimated there were 30,000 paid civilian and militia employees in Hizballah (reftel). This year his survey estimated 37,000 Hizballah employees, including the 3,000 to 5,000 fighters he believes are in Hizballah's military wing. This is an increase of approximately 23 percent. Al-Asad commented that it is no wonder Hizballah can almost instantly draw a crowd of 200,000 for protests. Hizballah could rally that number using only paid employees and their extended families, not to mention many more volunteers, supporters, and sympathizers.

¶3. (S/NF) Al-Asad explained that the increase in Hizballah's payroll is the result of a large increase in Iranian funding for Hizballah. His survey estimated that Iran now gives Hizballah USD 55 million a month (USD 660

million a year), an increase of 37 percent over his estimate last year of USD 40 million a month (USD 480 million a year).

Although these figures were an estimate, Al-Asad said that the increase in Iranian funding could be seen qualitatively on the ground in the south. First, Hizballah middle-ranking and senior members were living obviously comfortable lives, with nice houses and cars. This comfort, though not wealth, was a result of the good salaries Hizballah was paying its people in addition to the health care and education benefits they receive. Second, Hizballah has been laying phone lines and cable throughout the south. This is done in plain view of the local authorities who do nothing to prevent it. Al-Asad was not sure of the purpose of this communications work, but said it was large-scale. Third, Hizballah had built a series of fixed positions all along the Blue Line in the past six months. (Note: Most of those new Hizballah positions now lay in ruins due to intense Israeli bombardment on May 28. End note.)

¶4. (C) Al-Asad also mentioned that Speaker of Parliament and Amal Movement leader Nabih Berri was receiving money from Iran. He estimated that Berri receives USD 16-18 million a year. Berri uses the Iranian money partially to pay off his supporters, but he pockets much of the rest. (Note: Al-Asad's estimate of Iran's stipend to Berri is significantly higher than other estimates which suggest a figure more like a few million dollars a year. End note.)

IRAN AND SYRIA: TIME
IS ON THEIR SIDE

¶5. (C) Al-Asad commented that Iran and Syria are biding their time in Lebanon. Damascus and Tehran are trying to

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outwait the current U.S. administration in order to regain control over Lebanon. In the meantime, Iran is building up Hizballah even at the expense of its own people, according to Al-Asad. He compared the Iran-Hizballah relationship to that of the Soviet Union and Cuba during the Cold War. Moscow so desperately wanted Cuba to succeed that it shipped massive amounts of aid to the island even as its own people were standing in long lines at the supermarket. It is the same for Iran, which, according to Al-Asad, is sending more than a half billion dollars to Hizballah per year even as many of its own people live in grinding poverty. He explained that Lebanon was the only place that Iran successfully exported elements of its revolution, so it will devote considerable resources to keeping Hizballah viable.

¶6. (C) Al-Asad then provided his solution to the situation. In order to confront Hizballah, one must cut off the Iranian money. Al-Asad wanted to accomplish this with international sanctions on Iran and U.S. airstrikes on Syria. "If Iranian aid cannot flow through Syria, where will it come through...Israel?" If the USG cannot stop the flow of Iranian aid, then it must match it dollar for dollar, Al-Asad concluded.

COMMENT

¶7. (C) It is difficult to confirm Al-Asad's figures, but anecdotally, at least, many observers believe Iran stepped up its aid to Hizballah following the Syrian withdrawal. Al-Asad is our only contact to try to quantify it. Al-Asad has reported reliably on Shia affairs in the past. End comment.
FELTMAN